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FM AMEMBASSY TBILISI

TO RUEHC/SECSTATE WASHDC IMMEDIATE 0603

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 TBILISI 002426

SIPDIS

E.O. 12958: DECL: 12/18/2018

TAGS: ENRG ECON PREL RU GG

SUBJECT: GEORGIA: GAS PIPELINE TO TSKHINVALI SERIOUSLY DAMAGED, GEORGIANS UNABLE TO REPAIR WITHOUT ACCESS

Classified By: Ambassador John F. Tefft for reasons 1.4 (b) and (d).

¶1. (SBU) Summary: The Georgian Oil and Gas Company (GOGC) cannot resume the movement of gas to South Ossetia until unexploded ordnance is cleared and GOGC is given access to repair the gas pipeline which runs from Agara to Tskhinvali and on to Java. GOGC has already repaired all the damage to the pipeline in areas that have been cleared of unexploded ordnance that they can access. However, the Russians and South Ossetians have not given GOGC access to any parts of the pipeline within the disputed territory. In order to return the pipeline to operational status, the mines and unexploded ordnance must be removed and access granted to engineers. Only after the entire line is physically examined and repaired, and the pressure correctly increased to necessary levels from both ends of the line, will gas be able to flow. End Summary.

¶2. (C) Comment: While it is easy for the South Ossetians and Russians to complain that Georgia is causing a humanitarian crisis inside South Ossetia by depriving the area of gas, our Georgian sources say that the ball is in the Russian court. Neither Georgian government entities nor international organizations, including OSCE and EUMM monitors, have been able to access the separatist region. Therefore, it is impossible to even gauge the scope of the humanitarian situation in Tskhinvali and surrounding Georgian villages since the conflict. Russia's commercial interest in possibly repairing, and no doubt assuming ownership/management of the gas pipeline from Agara to Java, is not a surprise. Russian companies have even expressed interest in &buying8 the Enguri power plant in Abkhazia, although it is not necessarily the property of the Abkhaz or Russians to sell. With regard to the gas pipeline to South Ossetia, the Georgians argue that the Russians must first allow access to Georgian engineers and agree to clear away unexploded ordnance along the pipeline (to ensure the safety of the engineers and nearby civilians in territory they control with their South Ossetian allies). Only after this happens can the pipeline be repaired and gas begin to flow. End comment.

WAR DAMAGE KNOCKS OUT THE PIPELINE

¶3. (SBU) According to the Director of the Georgian Oil and Gas Corporation (GOGC), the gas pipeline from Agara to Tskhinvali remains down, as a result of significant structural damage suffered during the August conflict.

(Note: The Agara-Tskhinvali-Java high pressure pipeline branches off of Georgia's main domestic East-West pipeline, which in turn branches off of the major North-South gas line between Russia and Armenia. End Note). The pipeline was originally shut down on August 8. GOGC explained that several fires and explosions near Gori damaged the trunk of the main domestic line. Presumably, damage to the pipeline to Tskhinvali occurred during the fighting in South Ossetia.

¶4. (SBU) Because South Ossetian and Russian forces are denying access to South Ossetia, GOGC can not access the pipeline to check exactly where the damage is located.

(Note: The Georgian Government, the OSCE monitoring mission

tasked with monitoring the situation in South Ossetia prior to the conflict, as well as the European Monitoring Mission (EUMM) and all other international organizations, have all been denied access to all South Ossetian territory by Russian and/or South Ossetian forces. End Note.) However, because of unusual gas pressure readings, GOGC has been able to surmise that a significant gas leak exists somewhere north of the village of Dirby, two km east within the administrative boundary of South Ossetia and approximately 15 km southwest of Tskhinvali. The pipeline is currently closed at the valve near Dirby.

GAS LINE NEEDS TO BE INSPECTED AND REPRESSURIZED

¶5. (SBU) In order to re-establish the gas supply to Tskhinvali and Java, GOGC says the entire length of the pipeline north of Dirby must be physically inspected. Once war damage and leaks are repaired, the pipeline must be shut down at both ends and then re-pressurized. The gas pipeline can only be put back into service after the pressure and integrity of the pipeline are deemed safe. This cannot happen without the cooperation of South Ossetian and Russian forces -- something that has not materialized.

UNEXPLODED ORDNANCE REMAINS SERIOUS CONCERN

¶6. (SBU) GOGC is very concerned about unexploded ordnance near the pipeline. If the pipeline were to be repressurized and gas begins flowing without clearing the ordnance, even a minor explosion could become huge if fueled by an unlimited supply of natural gas. Such an explosion would endanger the lives of civilians living near the pipeline, as well as any

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GOGC staff working on the pipeline. According to GOGC Director General, his personnel could only inspect the full line with access to the territory and with assurances that all mines have been properly removed. Given recent snows in the area, the ability to clear mines has been greatly reduced.

RUSSIAN INTEREST IN REPAIRING LINE?

¶7. (SBU) In conversations with the OSCE, the Georgian MFA mentioned that the Russian ITERA company has supposedly expressed interest in repairing the section of the pipeline that runs through the disputed territory. However, this would require the Georgian Government to hand over control of the pipeline to the Russians, something it clearly does not want to do. In addition, government efforts to regulate and control the ability of international business to operate in South Ossetia and Abkhazia could also inhibit this kind of "investment."

TEFFT